

## **Overview of Assessment of State Fees and Frequently Asked Questions**

House Bill 124, also known as the “Big Bill,” was enacted by the 2001 Legislature to restructure and streamline state and local government funding. The bill also made changes that affect the collection of county property taxes and state fees.

As part of the changes made by House Bill 124, the Department of Revenue will now bill livestock owners and purchasers of state hail insurance. The state per capita fee for livestock and the state hail insurance premiums were previously billed with other property taxes and paid through the county treasurer.

Although the Department of Revenue is now billing and collecting these special fees, the funding will continue to go to the agencies that supply the services.

The Montana State Hail Insurance Program was enacted in 1917 to provide hail insurance coverage on any crop grown in Montana. The program, under the Department of Agriculture, is directed by a producer oriented State Board of Hail Insurance and has provided a valuable service to Montana producers throughout the years. If you received a statement, which includes a crop hail insurance charge, it is for a policy you purchased this year and the policy number(s) is included for your reference.

Per capita livestock fees partially fund the Montana Department of Livestock’s mission to prevent, control and eradicate animal diseases; prevent the transmission of animal diseases to humans; and protect livestock industries from theft and predatory animals. If you received a statement, it includes the type of livestock and the number of head you reported on your personal property reporting form at the beginning of the year.

House Bill 124 did not change the law regarding the time of payment. Payment in full is due to the Department of Revenue on or before November 30, the same time as the property owners pay the first half of their property tax payment to the county treasurer. If your payment is late, penalty and interest will be assessed on the amount owed.

In accordance with the provisions of §15-24-922, MCA, the Board of Livestock has established a minimum per capita payment of \$5 for tax year 2003.

For more information, please read the list of frequently asked questions found below. You may also contact the Department of Revenue’s Customer Service Center at (406) 444-6900.

## **Assessment of State Fees Frequently Asked Questions**

Q: Why am I getting two separate bills, one from the county and one from the state?

A: HB124, enacted by the 2001 Legislature, affected the collection of county property taxes and state fees. These fees were previously paid with your property taxes to the county treasurer. Then the money was sent to the state for processing. In an effort to streamline collection of money, the state will collect state money (state fees) and the county will collect county money (property tax).

Q: When I paid my property tax in the past, the per capita livestock fee was split into two payments. Is this bill for only half of that fee and will I be receiving another bill?

A: This bill is for the total amount of the per capita tax and is due and payable in full by November 30. If your payment is late, penalties and interest will be assessed on the amount owed.

Q: Why are you sending me a statement for such a small amount of per capita livestock fee?

A: The Board of Livestock sets the fee amount for all livestock. You are charged the fee based on the number of livestock you reported at the beginning of the year.

Q: Why do I have to pay the Department of Revenue for my hail insurance premium?

A: HB124, enacted by the 2001 Legislature, affected the collection of county property taxes and state fees. Department of Revenue is now responsible for collection of the hail insurance premium. Once these funds are collected, they are disbursed to the Department of Agriculture Hail Insurance Program.

Q: Can I pay the state fees at my local county treasurer's office when I pay my property taxes?

A: No, the payment must be made to the Department of Revenue. The county treasurer no longer collects these state fees.

Q: Why are predator fees on my county property tax bill?

A: These are county fees and are to be paid to the county treasurer with your property taxes. The money stays in the county.

Q: Will my escrow account pay for these fees?

A: No, you are responsible to make a separate payment for the state fees to the Department of Revenue.

Q: Why did I receive more than one bill from you?

A: You have more than one account in our current personal property tax system. You may own and report livestock in more than one county or own livestock individually and also as part of a partnership or corporation.

Q: Are these fees deductible on my individual income tax as an itemized deduction for property taxes paid?

A: No, only actual property taxes paid are deductible as an itemized deduction on your individual income tax return. Property tax is deductible when filing the long form with the itemized deduction schedule, but miscellaneous fees are not.

Q: This year I sold part of my livestock. Why am I being billed for animals I do not have?

A: According to state law you are assessed the per capita livestock fee based on the number of animals you own on February 1 of each year. This assessment is based upon the number of livestock you report on the personal property reporting form sent to you at the beginning of the year.

Q: The livestock currently on my land are not mine. Why am I receiving a bill for animals I do not own?

A: It is possible a staff member mistakenly believed were the animals were yours. This misunderstanding would have been based on inaccurate information received by our offices. You will need to contact your local Department of Revenue office to correct the problem.